PRELIMINARY APPRAISAL OF
MARKETABILITY AND REUSE VALUES
WEST END AREA, BOSTON, MASS.

by Edward Bernard Murphy
Real Estate Economist

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A Report to the Boston Housing Authority by
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TABLE OF CONTENTS

TABLE OF CONTENTS (continued)

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I. PURPOSE

The purpose of this report is (1) to support, from the economic viewpoint, the tentative conclusion that in this study area one or more redevelopment project areas, if given assistance under Title I of the Housing Act of 1949, will prove feasible and marketable; and (2) to provide sufficient tangible evidence to justify preliminary estimates of land reuse values as herein set forth.

II. SOURCES OF DATA AND INFORMATION

During the brief course of study allowed for the preparation of this report the following sources were contacted for significant facts, opinion, information and advice: - Boston Housing Authority; City Engineer's Office; Boston Board of Real Estate Commissioners; Mass. Industrial and Development Commission; Boston Chamber of Commerce; Boston and Maine, New York New Haven and Hartford, Boston and Albany Railroad Industrial Development Sections; various insurance company and real estate specialists; several engineering and construction organizations; Federal Housing Administration Massachusetts office; several parking lot organizations; various Federal, State, business, real estate and construction reports and indices.

III. LIMITATIONS

Of necessity this report must be general in its treatment of market prospects and reuse values within the Study Area as a whole. This is because delineation of sub-areas for differing suitable reuses has so far been general, viz., no specific redevelopment "project area" boundaries have been decided upon - only the broad composition of reuse has become clear. This report will therefore deal with the marketability

or feasibility of this broad scheme of reuse for the West End Study Area, and thus contribute insofar as it can to a final clear cut definition of one or more sub-areas, or project areas in the process of immediate further planning studies.

Reference is made to Map A for a description of tentative subdivision of land reuses within the Study Area. Subsequent analysis and discussion will deal with these sub-areas as flexible components of an ultimate but evolving scheme of redevelopment for the West End, and attempt to pose some of the pro's and con's for attacking the job one way as against another.

IV. QUALIFICATION OF THE STUDY AREA - HIGHEST AND BEST REUSE OF THE LAND THEREIN

Ample evidence as to qualification of the Study Area for clearance and redevelopment under Federal and State laws is on hand at the Boston Housing Authority, Division of Slum Clearance and Urban Redevelopment.

The highest and best reuse for land in the Study Area is clearly a combination of residential, school and recreational, industrial, and institutional-parking, as indicated tentatively and for purposes of discussion on Map A.

This statement will elaborated upon in detail later in this report.

V. THE STUDY AREA AND ITS MARKET AREA

The Study Area is located near the heart of downtown Boston. Its residential and industrial market area extends about 15 land miles in all directions; its school and recreational orbit is, of course, contained within its own self-limiting boundaries with major traffic barriers on all sides; its parking potential is essentially limited to the demand generated by the Mass. General Hospital, one of the most important hospital facilities in all of New England.

a. Residential Market Limits

In terms of residential reuse only apartment or rental accommodations are deemed suitable, hence the area of demand in terms of population would include in general only a competitive segment of all single persons or families now living within the 43 cities and towns (approximate 15-mile radius) commonly known as the Massachusetts State Planning Board District. In particular, this segment must be reduced to those wishing to rent rather than to own, and further to those to whom circumstance dictates the desirability of a downtown location against all other housing alternatives.

Finally, this segment must be further modified to include only those single persons or families who, alone, in combine, or as a unit, can afford to pay today's cost of occupancy in new apartments expected to be erected within a portion of the Study Area.

b. Industrial Market Limits

In terms of industrial reuse, it is not contemplated that railroad facilities will be brought in to serve the area so earmarked, consequently only those firms within the Metropolitan District who do not receive or ship in quantity by rail can be included as potential customers for industrial land. This segment of demand can be reduced, therefore, to those concerns dealing either directly with the public (semi-retail) or as middlemen or agents for those who do, or to those manufacturers or processors who gain extraordinary labor and/or distributive advantages from close proximity to dense concentrations of population in the center of the Metropolitan District.

c. Market Area Background and Balance

About 2,300,000 people and 675,000 families live within 15 miles of Boston's West End, with an average population density of about 2,500 persons per square mile. Net effective buying power within this district is probably now in excess of $1,600 per capita, $5,500 per family, figures which give Boston a high national ranking among metropolitan areas.

Population and the labor force in this district increased by about 9% in the years 1940 - 1950, according to Census data, with the labor force at present estimated at about 900,000 persons.

Metropolitan Boston inside a 15-mile radius clears annually over 2 billion dollars of retail sales at current prices, and this district accounts for nearly 75% of the wholesale business of Massachusetts and 50% of that of New England.

The Boston area is noted for its industrial balance and economic stability, with only about 30% of area employment normally employed in manufacturing, and with some two-thirds of all Census Bureau industrial classifications represented. Its relative invulnerability to shifting economic tides is further demonstrated by the fact that in normal years the total value of the products of its ten leading industries does not much exceed 50% of the area's total, indicating a healthy diversification of employment and production throughout the area's economy.

d. Transportation and Highways

The West End Study Area is served at both its north and south extremities by public rapid transit lines by public rapid transit lines connecting at either North Station or Park Street Station with all points reached by the Greater Boston mass transit system.

At its easterly extremity in Bowdoin Square there originates (or terminates) a direct rapid transit subway connection to East Boston and points north. This line also crosses and connects at Scollay Square with all points on the major mass transit system.

Few, if any, downtown Boston locations are as well served by mass transit facilities as the West End, so that as a place to live or work in it is highly accessible at low cost in terms of public transport.

Just northeast of the Area and within easy walking distance lies the terminus of the Boston and Maine Railroad, one of three major rail lines entering the city. The other two railroads, the Boston and Albany, and the New York, New Haven and Hartford, can be reached by rapid transit through Park Street Station to their joint terminus at the South Station.

The Area is bounded on the west by a major expressway running alongside the Charles River Basin and now known as the Storrow Memorial Highway. This highway joins, at the northwest corner of the Area, with the Northern Artery and the new first link of the Central Artery presently under construction. Thus from the viewpoint of automobile or truck access the Area again is located superbly and can be reached with ease from all points of the market area compass.

e. Sea and Air Facilities

Serving New England, and of course vital elements in the economic health and importance of the Boston market area, are two great facilities, the Port of Boston, one of the great import-export sea terminals of the country, and the Logan International Airport in East Boston, still in the process of expansion. This airport is now linked directly into the vast new system of express highways under construction throughout the Metropolitan area, and is nearer to downtown than the main airport of any other large city, also closer to Europe than any other Metropolitan airport.

VI. THE STUDY AREA AND ITS REUSE POTENTIAL

a. Suitability of the Reuse Plan as a Whole

1. Hospital-induced reuse - residential and parking

Land owned by the Mass. General Hospital, about 10 acres, constitutes the largest single property ownership in the Study Area. Continuing use of this and perhaps additional land in the area for hospital purposes is in the city's interest and an important element in the Metropolitan pool of hospital facilities necessary to the functioning of the Greater Boston area as a population and economic entity.

This hospital has a demonstrable need for more modern and additional hospital buildings requiring additional land which it is hoped may be acquired through purchase of the Charles Street Jail, a property containing better than 5 acres, from Suffolk County. This jail is scheduled to be abandoned as poorly located and antiquated for present-day county needs. Its transfer to Hospital ownership and use of the land for new hospital facilities is logical and consistent with county, city and Hospital interest. The property is now tax exempt and of course would remain so. This transfer, if it takes place, would be outside the scope of redevelopment action.

Its importance in this connection lies in the possibility it presents of solving Hospital needs for more hospital buildings without a corresponding loss in tax revenue to the city. Conceivably such an acquisition by the hospital would preclude the necessity of turning over for this purpose other properties now hospital owned but paying taxes. These properties, thus freed, can continue to serve satellite hospital needs such as parking, and tie in directly with redevelopment action, as it may occur around the hospital grounds, to maximum advantage both from the hospital's and from the city's point of view.

Hospital expansion physically will demand greater and more efficient parking space than is now available in this vicinity. We are assured by hospital authorities that it will also require provision for the first time of planned rental housing and rooming accommodations for hospital personnel off hospital grounds and financed by private non-hospital funds.

Insofar as redevelopment action in the West End is proper and can lend encouragement to this program of hospital expansion and improved community service, it is highly suitable, providing it can be justified on economic grounds and offers the City a fair return on its investment.

Tentative Hospital-induced reuse of land acquired and cleared around the Hospital through redevelopment action is therefore logical, subject to further discussion.

2. Private Residential Reuse

Land in the West End area is overwhelmingly in residential use at present and built up to a density of about 120 families to the acre. Age of structure, density of land use, and outmoded narrow streets probably constitute the principal reasons why this area is predominantly substandard in character.

Yet there can be little doubt that this well defined area still constitutes an attractive and desirable place to live in terms of location in the city. If reconditioned as a neighborhood and redeveloped at reasonable standards of density and circulation to meet present-day requirements, its residential location advantages are many.

Residential reuse, as shown on Map A, of a large portion of the land within the West End is therefore logical and also worthy of further discussion.

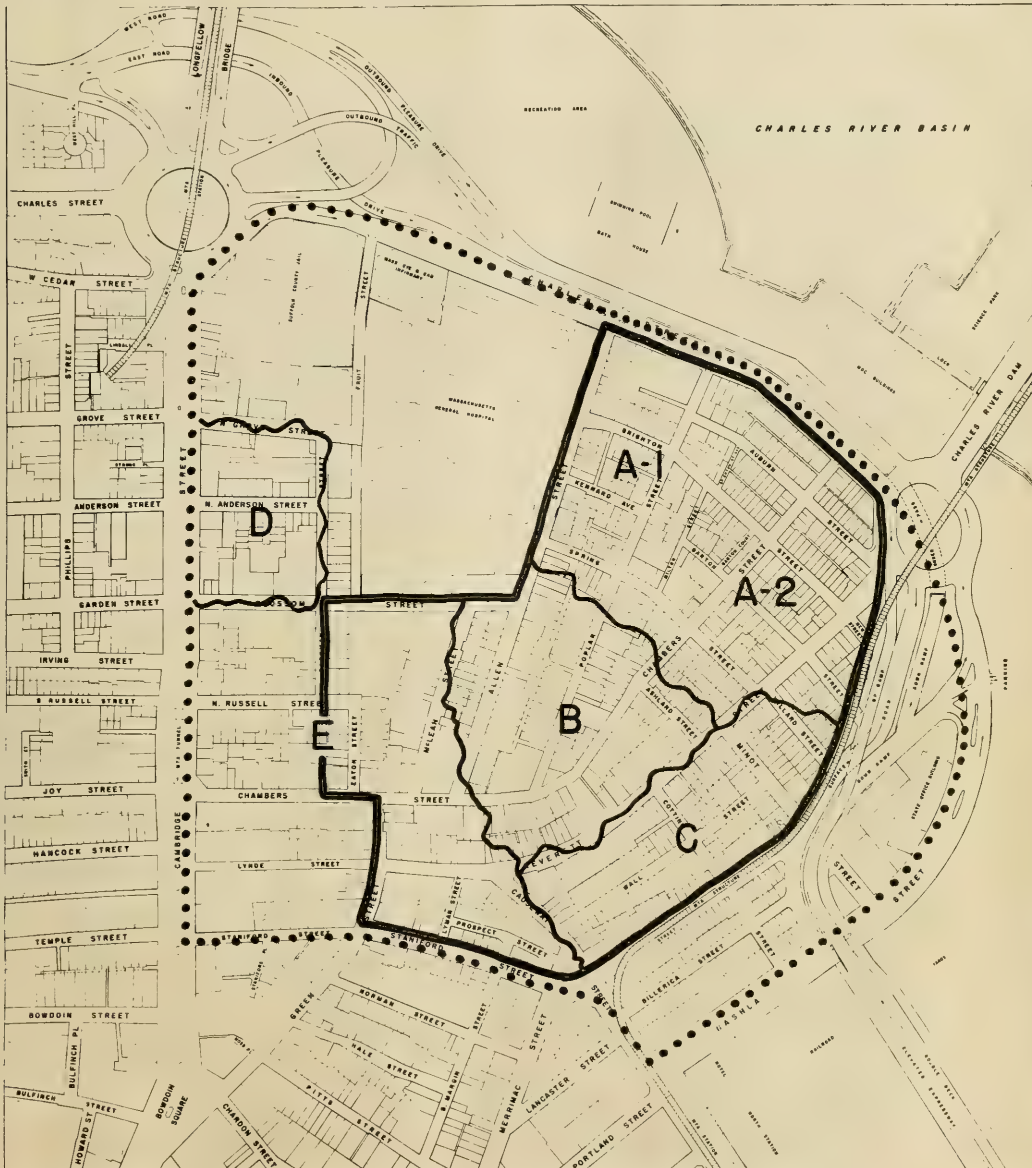
3. School and Recreational Reuse

The West End Study Area (excluding Hospital and Jail property) contains about 48 acres of land, 3,800 families, and is built up to a density slightly exceeding 125 families per acre. Average family size is not less than 4.5 persons per family, substantially above the City average.

The typical family has about 0.6 to 0.7 members between the ages of 5 and 14 years, indicating school population at around 2,200 children through the Junior High School grades.

At present there are four schools inside the area, three public and one parochial: - the Mayhew - elementary through 3rd grade, capacity 490, enrollment 285; the Winchell - elementary for girls through 6th grade, capacity 544, enrollment 427; the Blackstone - junior high school, capacity 630, enrollment 381; St. Joseph's - elementary through 8th grade, capacity 729, enrollment 729.

Total capacity of these schools is 2,393, and current enrollment 1,822. Only the parochial school is being fully utilized. Some children in the area can and do, at their parents' wish, enter Faneuil School, an elementary school across Cambridge Street on Beacon Hill to the south.



TENTATIVE AREAS OF PREDOMINANT REUSE

A-I	PRIVATE RENTAL HOUSING
A-2	" " "
B	SCHOOL AND RECREATION
C	WHOLESALE - INDUSTRIAL
D	HOSPITAL PARKING
E	REHABILITATION - SCHOOL EXPANSION PUBLIC HOUSING
● ● ● ●	STUDY AREA BOUNDARY
▬▬	TENTATIVE PROJECT BOUNDARY
∼∼	APPROXIMATE REUSE AREA BOUNDARY

(PREPARED FOR CONSULTANT'S REPORT OF OCTOBER, 1952)

SCALE IN FEET

WEST END - STUDY AREA "B"

URBAN REDEVELOPMENT STUDY

BOSTON HOUSING AUTHORITY

URBAN REDEVELOPMENT DIVISION

These four school properties cover about 86,000 square feet of land, with only about 42,000 square feet, or less than an acre, devoted to play area. The buildings are old, inefficient, and equally substandard measured by modern criteria.

There is no question but that much if not all of this school space should be replaced. Even though ultimate redevelopment action reduced population within the area by as much as one-half, new school and recreational facilities would still be needed, not only for their own sake, but also to aid in general reconditioning of the neighborhood, and thus contributing to the stabilizing and enhancing over-all of investments in new residential properties of the future.

If joint public and parochial use could be made of new playgrounds and recreational areas planned, it is likely that 4 to 5 acres would suffice, approximately as indicated on Map A, sub-area B.

4. Industrial Reuse

Along the northeast boundary just outside of the Study Area there are many existing land uses definitely adverse to continued residential use of this section of the West End. The elevated street-car tracks of the M.T.A. run parallel to area boundaries here, finally turning away past the North Station to the east. Land between Lowell Street, a boundary line, and Nashua Street two blocks away is principally in parking use, and just beyond Nashua Street lie the tracks and railroad yards of the North Station.

Further complicating this situation, there is at present under construction, just outside this edge of the area, an important link in the Central Traffic Artery, both surface and elevated, designed to connect downtown sections of this Artery with Sullivan Square (in Charlestown) and the Mystic River Bridge by means of an overpass across the Boston and Maine Railroad yards.

Residential reuse of cleared land on this northeast side of the area is made more difficult still because of exposure and slope. This land lacks sun and is buffeted by the cold wet winds of Fall, Winter and Spring, but, because it is lower than interior land to the southwest, it is denied the benefit of prevailing summer winds from the southwest.

Land on this side of the Study Area is believed to be both unsuitable and unmarketable for private enterprise residential reuse, but if properly buffered by street pattern

These [illegible] school properties cover about [illegible] square feet of land, with only about [illegible] square feet, or less than an acre, devoted to play areas. The buildings are old, [illegible], and equally [illegible] [illegible] by [illegible] [illegible].

There is no question that most if not all of this second [illegible] should be [illegible]. [illegible] [illegible] [illegible] [illegible] [illegible] within the area as much as [illegible], new school and recreational facilities would [illegible] be needed not only for their own sake, but also to aid in general rehabilitation of the neighborhood, and thus contributing to the stabilizing and enhancing [illegible] of investments in new residential properties of the future.

If [illegible] within the [illegible] [illegible] were to be made of new playgrounds and recreational areas planned, it is likely that [illegible] [illegible] [illegible], [illegible] [illegible] in [illegible] [illegible].

[illegible]

Along the [illegible] [illegible] [illegible] [illegible] of the [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] of this portion of the [illegible] [illegible]. The [illegible] [illegible] [illegible] of the [illegible].

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[illegible] [illegible].

[illegible] [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] [illegible]

and slope, could well go into industrial-wholesale-commercial reuse without impinging on residential values in other portions of the area.

Tentative Sub-area C on Map A roughly bounds the portion of the West End thought to be most suitable and marketable for industrial type reuse. If this land were levelled to Lowell Street grade it would average about 15 feet below residential and recreational land in the interior, and thus constitute a somewhat self-protected industrial strip of around 5 to 6 acres. Being adjacent to excellent public transportation, major highways and express routes and rail freight terminals, and reaching out easily to a large labor supply, it should be readily marketable, and in development serve as an enlargement of the nearby North Station-Haymarket district, which is essentially semi-retail, wholesale, warehouse, light manufacturing and office in character now.

5. Miscellaneous Reuse

In order to accomplish comprehensive residential redevelopment it will be necessary to reserve an area or areas for convenience shopping needs such as food, drug and service stores provide. The many small shops and stores now scattered through the interior of the area will be wiped out in clearance, yet the need for their function will remain.

While it is difficult at this time to determine exactly where, or how large, a shopping area should be in order to fulfill its purpose in the completed redevelopment scheme, it is likely that a shopping strip can serve both as a needed facility and also as a buffer between residential, recreational and perhaps industrial type reuses,with a land area of not over 2 acres. This would suggest a location somewhere in the waist of the area, with a minimum reservation for customer parking, with most shopping done on foot or by delivery.

Successful development of residential areas as now planned at densities around 60 families to the acre would assure successful marketing of any logically sized and located retail area as a satellite operation. Detailing must await more precise study subsequent to this report.

b. Most Likely Redevelopment Types

1. Residential

Centrality of location, high land values, ease of transportation of all types, proximity to big city amenities of all kinds, advantages of all necessary utilities and

services - all of these constitute basic reasons for a relatively high-density residential reuse up to and consistent with general city planning standards. Multi-family rental units are, therefore, the only type of construction worthy of consideration in residential reuse planning.

In the Preliminary General Plan for Boston, dated December 1950, and published by the Boston City Planning Board, the West End Study Area is indicated as a proper section of the city for high-density residential use - 40 and over families per net acre.

Preliminary redevelopment studies to date have considered new apartment densities up to 65 families per net acre as being feasible, with two basic apartment schemes, the three-story garden-apartment walkup, and the multi-story elevator structure, being selected as the most suitable building types to effectuate redevelopment plans at these densities, either alone or in combination.

From the marketing viewpoint the three-story garden-apartment would seem to come closest to meeting that portion of demand represented by young married Hospital internes, laboratory specialists and doctors with small children. This type of building also suggests advantages on the investment side in that less capital per building would be required, viz., more potential developers might be in a position to undertake construction. For these and other reasons a redevelopment scheme developing from small beginnings or stages could perhaps be most easily effectuated using the garden-apartment plan.

Multi-storied elevator apartments, on the other hand, would more nearly suit the broad band of intown apartment demand, which is largely composed of individuals or families without children. This type of building, while resulting in a substantial number of suites within each structure, and a consequently larger investment per structure, develops a much lower building coverage ratio with comparably higher amenities in terms of light, air, view and open space, and at the same time can create a more diversified interior space pattern, ranging from small efficiency apartments for individuals or couples to two-bedroom suites for families desiring more space.

In a way, therefore, the multi-story apartment type may serve the whole market better, although there would logically be fewer developers capable of undertaking construction.

Either type should find a market in this location at a price, and the ultimate successful scheme of residential

redevelopment may well be that which combines both kinds of structures in relative balance with each other.

2. Industrial

It was previously stated that the sub-area tentatively reserved for industrial reuse would not be served by railroad facilities, although it is located very near to a major railroad terminal. This is because of the extreme complexity of the highway, elevated street railway, and traffic problems lying between this edge of the Study Area and the main railhead at the North Station yards to the east.

An attempt to serve any part of the Study Area with direct rail would be completely impractical, and must be rejected from the start.

However, while this lack may eliminate interest on the part of many large concerns seeking downtown locations and needing rail, it is nevertheless and obviously true that the great majority of semi-retail, wholesale-commercial, light industrial and even warehouse-distributing organizations in central locations at present are without direct rail access, and in most cases have no need for it, since they both receive and ship entirely by truck.

Since these are the kinds of business concerms thought most suitable and likely to be interested in a West End location if available, lack of rail in this instance is no deterrent to marketing and reuse.

While some such companies may require substantial building areas in which to operate, they are for the most part small independent organizations which combine sales and display with modest goods-stocking, or who manufacture by piece work, or repair and process goods made by others elsewhere, or which warehouse samples and sell against stocks held elsewhere either by others or themselves, etc.

These are the types of industrial firms thought most suited to the location under discussion. A partial list of businesses in such categories would include upholsterers and furniture dealers; wallpaper and interior paints, varnishes, polishes, etc.; rugs, carpets and tapestries; household appliances; radio and television equipment and supplies; plumbing and heating supplies; kitchen equipment; wholesale drugs, cosmetics and toiletries; wholesale liquors; laundries and dry cleaners; fine paper products; in short, a wide variety of small industrial types having a strong affinity to the center of any big city market area, its big industries and its consumer needs.

It is noted that the nearby North Station-Haymarket section of the city is studded now with businesses of this kind.

3. Parking

The demand for parking being generated by and generally limited to the needs of the Mass. General Hospital, it would seem that land in the Study Area to be cleared and reused for this purpose should continue to return a reasonable revenue to the city either in the form of taxes or under a ground rental arrangement.

The use of limited Federal Grant funds to make land available for tax-exempt hospital use does not seem reasonable on any basis. These funds could be better used under redevelopment programs elsewhere in the city.

This being the case, it seems to us that if land is to be cleared for parking it should be carefully integrated into the overall redevelopment scheme and matched against hospital efforts to provide parking on their own part. Such land then might be sold to private parking lot operators and remain on the tax rolls, or be leased for a ground rental to the Hospital to use in this way under their own supervision. Either scheme should be selected on a comparable basis of net return to the city.

4. Miscellaneous

If land is to be reused for retail purposes necessary to the effectuation of the residential redevelopment scheme, such land in all probability will either be developed directly by the residential construction organizations or sold to speculative retail store operators for construction and lease, in accordance with Agency plans, to selected non-competing store tenants. why

C. Site Advantages and Disadvantages

1. Topography

The Study Area as outlined on Map A lies on a rather gentle slope rising from the Storrow Memorial Highway on the west and Nashua Street on the north (elevation 16' above sea level in each case) to a dual crown or ridge 44' above sea level in the approximate center and 50' at the extreme southeast corner. A line running due northwest from this corner would fall briefly to 36', rise again to 44' near the midpoint, and then fall gradually to the 16' perimeter level just described.

Hospital and Jail property adjacent to the southwest is flat at about 16' above sea level also and Cambridge Street on the southern boundary falls steadily from around 50' to the 16' low level in a westerly direction.

As can be seen by study of a contour map in relation to the tentative sub-areas delineated on Map A, all of the higher ground on the ridge within the Study Area falls within Sub-area B, tentatively earmarked for school and recreational reuse, and Sub-area E, the largest single sub-section which has not been previously touched upon directly in this report.

It is commonly found, in most older cities where housing decay has developed in certain sections, that the worst housing and living conditions eventuate on low or lower lying land. In general this is true in the West End Area, for the better housing by and large is up on the ridge, particularly at the southeast corner in Sub-area E on Lynde Street, the east side of Chambers Street and along McLean Street.

In this sub-area is believed to lie the best opportunity for private enterprise rehabilitation and reinvestment, unaided by redevelopment action except in a neighborhood sense. Current resistance to blight may well be converted here into direct private owner improvement of existing properties provided "Redevelopment" can root out adverse and blighting surrounding influences and create a new West End environment and address value in the rest of the Study Area.

It is not unlikely, therefore, that a good portion of the high land in the area as a whole will be excluded ultimately from further study under the redevelopment program, provided successful project development elsewhere in the lower lying sections can be successfully carried out.

Possibilities are good that river-front amenities and wise land planning and architectural design can be made to offset the usually unfavorable aspects of low-lying land on new residential development in Sub-areas 1A and 1B. Insofar as multi-storied apartment buildings are a possibility in reuse of these sub-areas, the upper stories of these structures will have an eminence and view surpassing anything around them.

As for industrial reuse tentatively planned for Sub-area C, this would be on low-lying land and well buffered by slope and interior street design where existing contours provide a natural division for this use against adjacent residential or school and recreational improvement.

2. Size

The Study Area, as bounded for purposes of this report, contains about 48 acres of land, of which about 12 - 13 acres are tentatively planned for clearance and residential reuse, 5 - 6 acres for industrial reuse, 4 - 5 acres for school and recreational reuse, 15 - 16 acres for private enterprise rehabilitation unaided, and 4 - 5 acres for Hospital parking. The balance of the land area would be in streets.

From the standpoint of sub-area size, prospects for both residential reuse (Sub-areas 1A and 2A) and private enterprise rehabilitation (Sub-area E) may be held back somewhat by the scope of new investments needed to carry out redevelopment hopes and plans to their fullest extent. For instance: -

> 12 - 13 acres of residential redevelopment, if undertaken at one time, could mean the displacement of up to 1,500 families, and require an investment (at density 65) in about 800 new dwelling units that might reach $9,000,000 over all. Forgetting dollar writedown requirements, both these figures give pause on the basis of size alone. It is therefore probable that residential reuse will have to be approached in stages to be feasible physically or financially.
>
> Private rehabilitation on high ground may prove logical and possible as an aftermath to successful redevelopment activity round about, but in those portions of Sub-area E which are either beyond rehabilitation, or on lower ground, or now containing schools and play areas probably scheduled for closing - in these cases a new use for cleared land must be found. Whether private capital, unaided in any direct way, can be expected to fully carry out the reconditioning and new construction needed to thoroughly rehabilitate the whole of this sub-area is surely questionable.

In both these cases some public housing may be an end alternative, for example, in Sub-area 1B, along the northern boundary near the elevated tracks and traffic barriers, or in Sub-area E, between the higher ground and industrial redevelopment in Sub-area C, or again in Sub-area E, between Chambers Street and Blossom Street, where land gaps may be left by school closings and adjustments, and where bad housing nearby is probably beyond rehabilitation in any event.

The tentative size and shape of Sub-areas C (industrial reuse) and D (Hospital parking) present no serious problem in a marketing way. Neither is so large or so unwieldy physically or in a dollar-investment sense as to pose any serious problem in a metropolitan market area as large as Boston's.

Sub-area E, being earmarked for needed school replacement and expanded recreational use, presents no size-market problem either. In our opinion such an investment will have to be made in the future in any event, to ensure a reasonable chance of successful redevelopment throughout the residential portions of the larger Study Area.

3. Identity

Residential and industrial reuse areas, as tentatively laid out in Sub-area 1A - 1B and Sub-area C, will enjoy a high identity value at all times. Extremely heavy automobile traffic will pass by along the river front, to and from the Northern Artery, and on the new Central Artery and North Station overpass. In addition, the elevated street railway overlooks both areas as it carries commuters and shoppers between Lechmere Station in Cambridge and downtown Boston.

The advertising value of a high-identity location needs no explanation, and should prove to be a definite aid to marketing the industrial land area.

On the contrary, the noise and general nuisance of heavy auto traffic passing by the residential location may more than offset its advertising advantages.

For this reason it will be necessary to use every skill in land and building design in the redevelopment of this area, to ensure that the encroachment of traffic noises and fumes is minimized to the greatest possible extent.

Sub-area D, tentatively earmarked for parking reuse, will enjoy relatively high identity also from the Cambridge Street traffic flow. This is largely through traffic, however, and because this parking location is essentially tied to Hospital needs only, will probably have little meaning market-wise.

4. Sub-soil and Utilities

Study of existing data on known subsoil conditions in the Study Area has been assigned to others for collection at a later date. It is our guess, however, that in general

[illegible]

[illegible]

[illegible]

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[illegible]

[illegible]

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[illegible]

[illegible]

all land above the 20' contour line inside the area is probably solid and good, although there may be small areas of fill and ash between outcroppings of ledge around the 44' and 50' crowns (see contour map).

The balance of the area, i.e., all of Sub-area D and the outer low sections of Sub-areas 1A, 1B and C, is probably filled tidewater land which will require construction on piers or piles in redevelopment.

As for utilities, the entire area is served with water, gas, electricity, storm and sanitary sewers, and all communication services, which should be advantageous from the marketing side. The extent to which existing utility lines will have to be disrupted and rearranged in redevelopment cannot be measured without thorough study based upon future concrete project design.

d. Evidence of Demand

1. Residential

It has already been mentioned that a nucleus of demand for new apartments exists on the part of Hospital personnel, as stated by Hospital authorities. A careful survey of the character and rent-paying ability of these individuals and families will have to be taken, either by the Hospital or under its auspices, before definite plans to redevelop for this need can be tested further.

The Urban Redevelopment Division of the Boston Housing Authority has been approached by four separate and responsible real estate development groups who have indicated at least initial interest in discussing the erection of new apartment buildings in the West End. This is a good sign that this area is thought to be sound as a residential location, confirming tentative redevelopment plans for assigning up to 12 or 13 acres in Sub-areas 1A and 2A to this reuse.

2. Industrial

There has been no attempt made as yet to test specific redeveloper interest and concurrence in preliminary judgments to the effect that Sub-area C would be a readily marketable area for certain industrial reuses.

However, it is our opinion that for many reasons already discussed, such as proximity to labor supply, excellent access and identity, cheap public transportation, level and mostly "good" land, availability of all utilities, and so on, this general section of the West End should

properly become industrial in reuse and will find a ready market.

General support for this position can be brought to bear in the form of (1) continuing displacement of many businesses as a result of master highway takings and continued extension of the Central Artery over the next five years; (2) a continuation of good general business; (3) the impressive volume of new industrial construction in the Boston district as a whole since World War II; (4) the pressure to relocate in more efficient space resulting from a combination of the general age and inadequacy of existing industrial plant, and rising costs of operation, particularly labor and handling charges; and finally (5) the poor quality from every viewpoint of vacant industrial space available, which is no better than, if as good as, space now occupied by presently dissatisfied tenants.

Except for marginal firms who must pay cheap rents for cheap quarters, the only means of satisfying pent up demands for better space in downtown locations lies in new construction. There is very little downtown land available, and none better located for most purposes cited (see Most Likely Redevelopment Types).

3. Parking

General discussions have been held with two important parking lot organizations, both of whom evinced interest under certain conditions in either leasing or owning land to be reused for essentially Hospital parking.

VII. FINANCIAL ASPECTS OF TENTATIVE REUSE PLANS

a. New Building Types and Costs

Residential construction in Sub-areas 1A and 2A is expected to be a combination of 3-story masonry, semi-fireproof walk-up apartments, and multi-story first class fireproof elevator apartments.

The first type, if built according to recent new-apartment experience in the Boston area, will probably average 3 - 4 rooms per suite, 700 to 900 square feet net area per suite, with construction cost at today's prices $9,500 - $10,500 per suite for buildings only.

The second type will probably average 2½ - 3 rooms per suite, 500 to 700 square feet net area per suite, with construction cost at today's prices between $10,000 and $11,000 per suite for buildings only.

Industrial construction in Sub-area C is expected to be a combination of two- to four-story warehouse and office type buildings with steel frame, sidewalls of brick with cinder block backing, on slab foundation, fireproof, sprinklered, and costing at today's prices $6.00 to $8.00 per square foot to build.

Until it can be demonstrated to greater satisfaction that cage garage construction will pay out in Sub-area D, it is anticipated that parking areas that may be created here will be open lots, the cost of surfacing and preparing being relatively negligible, and with no structures other than small attendants' sheds above ground.

The type and cost of new school facilities that may be placed upon the ground in Sub-Area E is obviously outside the scope and province of this report.

b. Construction Cost - Tax - Rent Relationships

1. Residential

With full cooperation of the local F.H.A. office, a quick study was made of F.H.A.-financed intown apartment construction from 1946 to the present.

Five three-story walk-up garden apartment ventures were constructed during this period with F.H.A. financing, two in Cambridge in 1948-1949, and three in Brookline in 1949-1950-1951.

Construction advances and permanent first mortgage financing on these developments was insured by F.H.A. under Title VI Section "608" of the National Housing Act. Composite experience resulted in this thumbnail sketch of the "typical" dwelling unit: average cost per suite was $8,320, average rent per room was $26.00 per month, average number of rooms per suite was 3.43, and average rent per suite was $90 per month.

Rent schedules in each instance were set up by F.H.A. to return 6½% to 7% on the investment, with real estate taxes estimated in advance at 50% of construction cost or replacement cost.

Taxes actually levied exceeded pre-occupancy estimates in every case, both because of higher valuations, and because of rising mil rates. Since 1948 the Cambridge tax

rate has increased from $39.90 to $52.70 per thousand, an increase of 32%. Brookline since 1948 has increased its rate from $34.80 to $40.20, an increase of about 16%. Naturally rent schedules have had to be increased in these five developments, and F.H.A. has approved the necessary adjustments.

Construction costs are 10% - 15% higher today than when these garden apartments averaged to be built. With due allowance for increased taxes heretofore mentioned, it is likely that these developments, if rebuilt now, would result in "typical" dwelling unit figures more nearly like this: - average cost per suite $9,600, average rent per room $31.50 per month, average number of rooms per suite 3.43, average rent per suite $108 per month.

In the same period two multi-story elevator apartment buildings were constructed with "608" F.H.A. financing, one in Brookline in 1948-1949, and one in Boston in 1951-1952.

The "typical" dwelling unit, based on pre-occupancy estimates, in these two cases showed up like this: - average cost per suite $10,275, average rent per room $45.87 per month, average number of rooms per suite 2.78, average rent per suite $127.50 per month.

Replacement of these buildings today with slightly less increase in building cost and taxes (the Boston rate since 1948 has increased $13.40 or 25%) would probably result in "typical" dwelling unit figures more like this: - average cost per suite $11,000, average rent per room $50 per month, average number of rooms per suite 2.78, average rent per suite $139.00 per month.

2. Industrial

Intown industrial rents now being paid by tenants in the category of businesses previously listed as being most likely to desire space in Sub-area C range from 50¢ per square foot for loft space to $1.50 per square foot for semi-retail or wholesale-office, showrooms and sales rooms. Light manufacturing space downtown ranges in rent from 50¢ to $1.00 per square foot.

In view of the high location value of the land in Sub-area C, and with construction costs for suitable new buildings estimated at $6.00 to $8.00 per square foot, and with taxes pegged at 70% of construction cost times $66.00 per thousand, it is unlikely that average rent per square foot

for all types of new space created can be brought below $1.15 per square foot.

This figure, although higher than many prospective tenants may now be paying for unsatisfactory, inefficient space, can be attained if straight warehouse or manufacturing space can be made to bring in $1.00 per square foot or slightly better, and office, sales and showroom accommodations can be marketed near to $1.50 per square foot.

Under present conditions we believe these rentals would prove out.

c. Availability of Financing

1. Residential

While the mortgage money market is tighter than a year ago, there is, theoretically, an adequate supply of free funds available to finance easily even the sizable residential development tentatively planned for Sub-areas 1A and 2A.

In practice, however, lending institutions are perhaps understandably cautious in placing mortgages on residential income properties in Boston with its high tax rate and fiscal experience over the last twenty years.

This means that unless mortgage risks are F.H.A.-insured, heavy equities are demanded where traditional mortgages on large properties are taken, if indeed they are taken at all.

On the equity side, potential sponsors of new apartment developments in recent years have been equally hesitant to venture sizable amounts of capital in residential income properties. Real estate tax uncertainties, scarcity of prime downtown residential locations, the high cost of construction, the difficulty of measuring true shortages to build against under rent-controls, and the relative attractiveness of other forms of investment, are probably among the main reasons for this timidity.

As a consequence, the flow of new money into downtown residential apartment development has been, for many years, a trickle rather than a stream, and it seems certain that an unusually attractive scheme of financing, taking full advantage of all existing legal tools and aids, will be required to successfully promote residential reuse in Sub-areas 1A and 2A.

Such a scheme, in its evolution, will be that which attains maximum security of investment through providing the "right" rental accommodations on the land at the "right" price, i.e., below existing competitive rents for equally good locations, thus assuring a margin of safety through the early years of amortization. Accomplishment of this goal under present conditions will be difficult in the West End area without land development and processing assistance on the cost side, partial tax exemption and limitation on the tax side, and a high degree of mortgage insurance on the risk side.

2. Industrial

In contrast to aforementioned difficulties thought to be deterrents, if not obstacles, to residential redevelopment in the Study Area, industrial reuse of Sub-area C should be readily financed under existing market conditions as we see it.

New industrial plant is attracting fresh investment money steadily and successfully, with mortgage terms running up to 20 years, subject to long and strong leases, and with interest rates generally 4½% on the better risks.

Elimination of Regulation X covering this type of construction will make possible 60% to 70% mortgage financing, and equity money is believed to be very partial to this type of investment at this time.

Of course both sponsors and mortgagees demand tenants with high credit ratings and strong lease signatures on more or less single purpose properties. We feel that many such tenants can be attracted to Sub-area C if present conditions continue in the market place.

3. Parking, School and Recreation

The purchase or lease of land in Sub-area D for Hospital parking will not present a financing problem unless a substantial cage parking garage is ultimately decided upon as necessary to accomplishing redevelopment and/or Hospital aims. In such an event, financing of this sort of improvement would be in the special-purpose category - if such a purpose is clearly in the interest of all concerned, lack of financing is unlikely to kill its prospects.

Provision of new school and additional recreational plant in Sub-area B is, under this heading, a problem in municipal finance. Again, if the need and purpose are clear

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

and beneficial, the money can presumably be found in direct conjunction with other redevelopment activity in the area.

VIII. GENERALIZED ESTIMATES OF HOUSE VALUE BY SUB-AREAS

a. Selected Residential Land Activity - House Value estimate Sub-areas 1A and 2A

Successful residential apartment-type redevelopment in Sub-areas 1A and 2A seems possible only if the West End as a whole is to be reconditioned throughout. In such an event, this well insulated section of downtown Boston may take its place as one of the most desirable places to live apartment-wise.

There are relatively few choice apartment house "addresses" near the center of the Boston area, within 6 miles of the State House.

The most contiguous and imposing strip or belt of predominantly high grade apartment house land in use is that beginning on Beacon Hill (in the center of the city) and running almost due West through the Back Bay and Fenway sections of Boston, parts of Brookline, and a sliver of Brighton (an outer section of Boston).

No less desirable in prestige, though smaller in area, is that section of Cambridge immediately surrounding Harvard Square, Harvard University and Radcliffe College, the spokes of which are Mt. Auburn, Brattle, Concord, Garden, Massachusetts Ave., Oxford, Kirkland, Cambridge, Broadway ~~and~~ Harvard Streets.

Of slightly lesser importance, because relatively less land is in apartment use, but still swank in terms of apartment address, is a small strip in the city of Boston known as the Jamaicaway, running parallel to the Brookline - Boston line between Jamaica Pond, the Jamaica Pond Parkway and Center Street (Jamaica Plain district).

Map B locates roughly these choice apartment areas in relation to the West End Study Area, designating them as Back Bay, Fenway, Brookline, Brighton, Cambridge and Jamaica Plain respectively.

Since 1946 private enterprise performance in producing new apartment accommodations in downtown Boston and vicinity has been strictly limited to these areas, and only a modest number of new units has been built.

and [illegible], the [illegible] in [illegible] direct [illegible] with other redevelopment activity in the area.

VIII. [illegible]

A. [illegible]

[illegible] apartment-type redevelopment in Subareas 11 and 12 [illegible] possible only if the [illegible] as a whole is to be reconditioned throughout. In such an event, this [illegible] section of downtown [illegible] may take its place as one of the most desirable places to live [illegible].

[illegible] relatively few [illegible] apartment [illegible] near the center of the [illegible] area, within [illegible] miles of the State House.

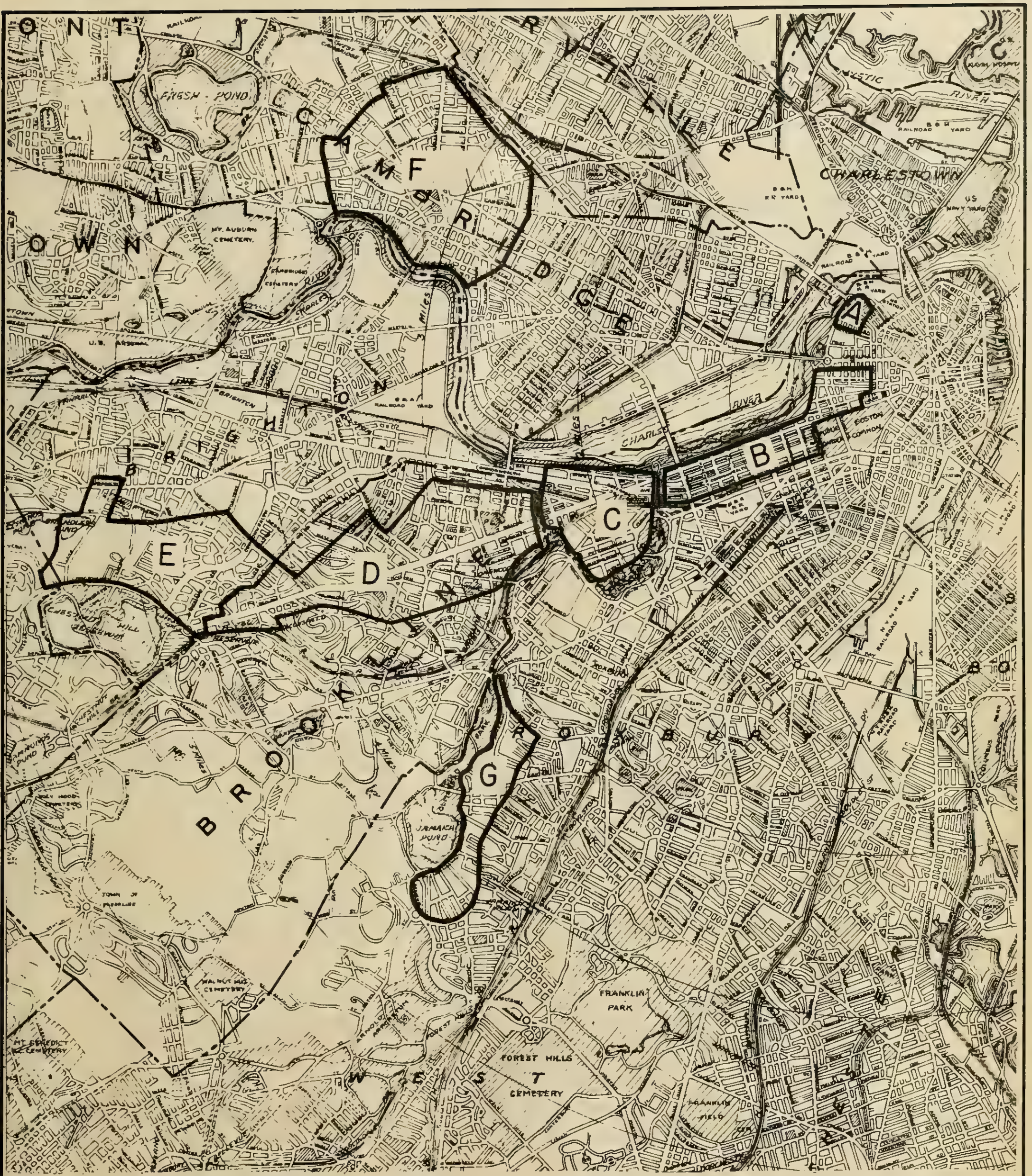
The most [illegible] and [illegible] apartment [illegible] in [illegible].

In [illegible], [illegible] University and [illegible].

[illegible] in the area of [illegible].

[illegible] in relation to the [illegible].

[illegible] apartment [illegible] has been [illegible], and only a [illegible] number of new units [illegible].



HIGH RENT APARTMENT HOUSE AREAS
ACTUAL AND POTENTIAL
IN THE BOSTON MARKET
(not low density)

A WEST END SITE

B BACK BAY
C FENWAY
D BROOKLINE
E BRIGHTON
F CAMBRIDGE
G JAMAICA PLAIN

SCALE IN FEET

0 2000 4000 6000 8000 10000

(PREPARED FOR CONSULTANT'S REPORT OF OCTOBER, 1952)

WEST END - STUDY AREA "B"

URBAN REDEVELOPMENT STUDY
BOSTON HOUSING AUTHORITY
URBAN REDEVELOPMENT DIVISION

Some of the reasons behind this low rate of production of new apartment buildings have already been touched upon under the heading "Availability of Financing". One important addition should be made to the list of obstacles - namely, a great lack of sites upon which to build further in these high-rent, prestige apartment districts. What land remains is either physically undesirable, or too expensive to process, or zoned against additional high-density residential use. In the latter instance, zone changes, perhaps properly so, are extremely hard to accomplish.

For a variety of reasons, therefore, new private enterprise apartment construction since World War II has been meager, totaling around 1,230 newly erected apartments in these choice districts (and little or nothing built elsewhere). Since 1946 there have been 3 buildings totaling 269 units built in Boston (including Brighton and Jamaica Plain), 7 buildings built in Cambridge totaling 510 units, and 8 buildings erected in Brookline providing 451 units.

This sums up to 18 new apartment buildings providing 1,230 suites, hardly an encouraging volume in a market area of this size.

The approximate location of these recently erected apartment structures is likewise shown on Map E. In these 18 instances the prices paid for land alone, or the mortgage value ascribed to land by appraisal, ranged from 25¢ per square foot to $5.50 per square foot ("River House" in the Back Bay).

The average land price was between 75¢ and $1.25 per square foot, and average building coverage was about 60%, i.e., 3 square feet for buildings to every 2 square feet for lawns, driveways and parking.

Average density was about 75 families to the acre, ranging from about 40 per acre for the lowest density garden type walkups to 140 per acre and 175 per acre respectively for the "River House" in the Back Bay and the "Sovereign" in Brookline, both multi-story elevator buildings with basement parking garage.

Naturally, the highest land value followed the highest density and highest building coverage, and this will always be true, because each square foot of land so utilized earns a maximum income in use after development - hence has the highest value.

Some of the reasons behind this low rate of production of new apartment buildings have already been touched upon under the heading "Availability of Financing". (The important addition should be made to the list of obstacles — namely, a great lack of sites upon which to build further in these [illegible] districts, creating apartment-dwellings. What land remains is either physically unsuitable, or too expensive to [illegible], or zoned against additional "high-density residential" use. In the latter instance, zone changes, raising property [illegible], are extremely hard to accomplish.

For a variety of reasons, therefore, any private enterprise apartment construction since World War II has been meagre, totaling around 1,400 newly erected apartments in these [illegible] districts (and little or nothing built elsewhere). Since 1946 there have been 3 buildings totaling 240 units built in Boston (excluding Brighton and Jamaica Plain), 7 buildings built in Cambridge totaling 510 units, and 4 buildings erected in Brookline providing 440 units.

This sums up to 15 new apartment buildings providing 1,190 units, hardly an encouraging volume in a market area of this size.

The approximate locations of these recently erected apartment structures is likewise shown on map 1. Lot sizes and [illegible] the [illegible] upon which the land values, as the [illegible] value computed is land be expected, ranged from .75 per square foot to $1.40 per square foot ("Cheney Manor" in the Back Bay).

The average land value was between 75¢ and $1.00 per square foot, and average building coverage was about 30%. Lots, 4 square feet distributed to every 1 square foot for lawns, driveways and parking.

Average density was about 75 families to the acre, ranging from about 50 per acre for the lowest density garden type projects to 120 per acre and 170 per acre respectively for the "Tower houses" in the Back Bay and the "Bellevue" in Brookline, both multi-story elevator buildings with basement parking garages.

Naturally, the highest land value followed the highest density and highest building coverage, and this will always be true, because each square foot of land so utilized earns a maximum income in any urban development — hence are the highest value.

If later studies demonstrate that the market will take similar or higher average densities in the residential development of Sub-areas 1A and 2A, it is apparent that higher values can thus be obtained in resale of cleared land.

In the meantime, on the assumption that West End land for residential reuse cannot be expected to exceed in value, at similar densities, the best average postwar experience in choice competitive locations, it is tentatively estimated that the average reuse value of land ready for easy development in Sub-areas 1A and 2A should reach about $1.25 per square foot, or $54,000 to $55,000 per net acre.

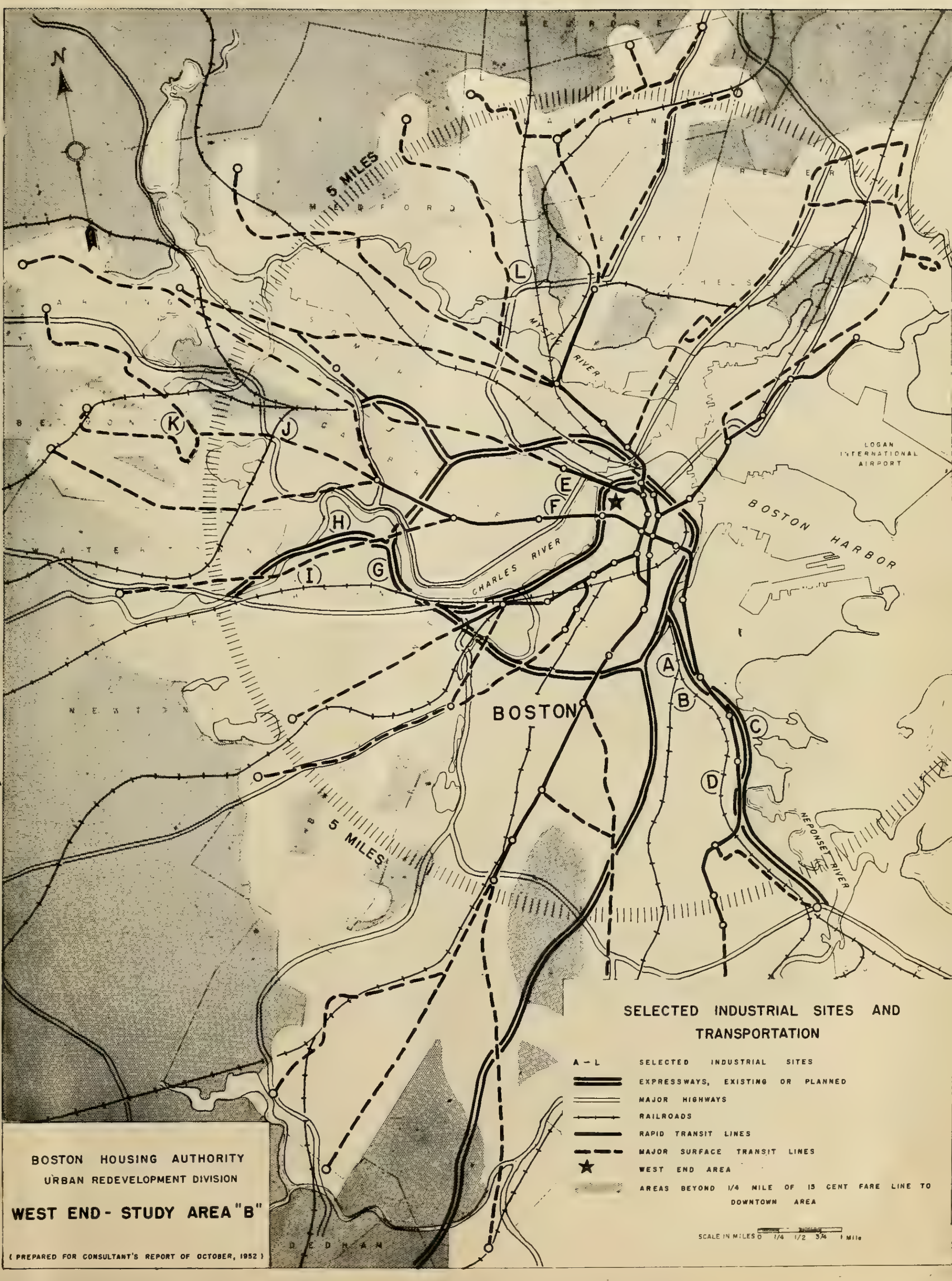
As we view it, only extraordinary outside-of-normal-market-experience assistance in the form of tax exemptions (under Chapter 121A of Mass. General Laws, for instance), or extremely efficient building operations (such as one large, integrated, corporate development company might produce) can be counted on to raise reuse values in residential development above this figure. The lower rentals so produced would enjoy a higher safety factor and a broader base of demand, so that the land should reflect a higher value.

It is noted that this estimate of $1.25 per square foot is for <u>all of the land</u> in Sub-areas 1A and 2A, portions of which may bring more and some less. A few remaining small parcels, zoned for multi-family apartment use, and located in choice Brookline areas, are currently held for sale from $1.50 to $4.50 per square foot. Such holdings only serve to emphasize that West End acreage for this type of reuse must sell, ready for easy development, at well below this figure.

<u>b. Selected Industrial Land Activity - Reuse Value Estimate Sub-area C</u>

Under "Most Likely Redevelopment Types" was described the character of demand believed to be most suited to relocation in industrial Sub-area C, and this subject was touched upon further in other sections of this report dealing with the industrial aspects of redevelopment in the West End.

Although the Industrial Market Area extends about 15 miles away from the center of the city, land directly competitive with Sub-area C probably lies more nearly within a 5-mile radius, since to satisfy conditions of demand and be comparable it must be located on or near major public transit lines and close to the dense center of population, buying power and labor supply.



N
5 MILES
MYSTIC RIVER
CHARLES RIVER
BOSTON
BOSTON HARBOR
LOGAN INTERNATIONAL AIRPORT
NEPONSET RIVER
A
B
C
D
E
F
G
H
I
J
K
L
SELECTED INDUSTRIAL SITES AND TRANSPORTATION
A – L SELECTED INDUSTRIAL SITES
EXPRESSWAYS, EXISTING OR PLANNED
MAJOR HIGHWAYS
RAILROADS
RAPID TRANSIT LINES
MAJOR SURFACE TRANSIT LINES
WEST END AREA
AREAS BEYOND 1/4 MILE OF 15 CENT FARE LINE TO DOWNTOWN AREA
SCALE IN MILES 0 1/4 1/2 3/4 1 Mile
BOSTON HOUSING AUTHORITY
URBAN REDEVELOPMENT DIVISION
WEST END - STUDY AREA "B"
(PREPARED FOR CONSULTANT'S REPORT OF OCTOBER, 1952)

In the strictest comparative sense, there is no land in any quantity available exactly matching the location and other advantages enjoyed by Sub-area C. Other locations and transfers about to be described are therefore more nearly substitutes than directly competitive sites.

Map C locates approximately 12 selected industrial parcels, on or near major transit lines, which either are available or have recently been transferred. Each site is given a code number so that the description that follows can be more readily identified.

A. On Dorchester Avenue in South Boston, about 300,000 square feet of level land, rectangular in shape, good frontage, good identity, fair bottom, rail in the rear, all utilities, cannot be subdivided, owner holding at firm price of $1.00 per square foot.

B. On ~~Lotus~~ Locust Street, off Dorchester Avenue in South Boston, about 300,000 square feet of fairly level land, semi-rectangular, narrow frontage, fair identity, poor bottom, rail in rear, all utilities, asking price 60¢ per square foot.

C. On Old Colony Boulevard in South Boston. All utilities. Frontage has good identity. Subsoil poor - filled land, rear salt water marsh. Rail available. 200,000 square feet left. Sold for 30¢ - 40¢ on frontage. New occupants Salada Tea, Westinghouse Electric, Recording and Statistical Corp., First National Stores. Remaining land asking 75¢ per square foot.

D. Off Dorchester Avenue on Aukland Street, over 200,000 square feet of level land with spur track, difficult to subdivide, no frontage, fair identity from M.T.A. commuting trains, fair bottom, all utilities adjacent, held at 30¢ per square foot.

E. In East Cambridge adjacent to Jordan Marsh Company warehouse on Commerce Street, about 240,000 square feet of level land, L shaped with narrow frontage, good identity from Northern Artery and river drive, poor bottom, rail can be brought in, all utilities adjacent, may be subdivided, held firmly at $1.00 per square foot.

F. In East Cambridge on Charles River Basin between Lechmere and Kendall Squares (M.T.A. stations). Formerly owned by City of Cambridge. All utilities. Excellent identity. Rail spur. Filled land with poor bottom. Sold off and developed since World War II at about $1.30 per square foot

In the attached accompanying memo, [illegible] is not generally available [illegible] affecting the location and other [illegible] employed by [illegible]. These locations and properties which it is to be described are therefore more nearly [illegible] than currently [illegible] sites.

[illegible] location [illegible] industrial [illegible], or as with [illegible] living, which [illegible] are [illegible] industrial. [illegible] is given [illegible] so that the [illegible] that follow may be more readily identified.

A. [illegible] 700,000 square feet of level land, [illegible], good [illegible], [illegible] utilities, [illegible] of [illegible] per square foot.

B. [illegible], [illegible] about 100,000 square feet of [illegible] level land, [illegible], [illegible] per square foot.

C. [illegible] utilities. [illegible] square feet [illegible] per square foot.

D. [illegible] 20,000 square feet of [illegible] land [illegible] utilities [illegible], at [illegible] per square foot.

E. [illegible] about 140,000 square feet of [illegible] land, [illegible] per square foot.

F. [illegible] per square foot

to top-name occupants, E. R. Squibb & Sons, Warren Bros. (Roads), Parke-Davis (Drugs), General Electric (Appliance Division), E. I. DuPont. Buildings erected averaged two stories with partial (utility) basements of masonry construction on 75-foot caissons. This site is now entirely used up and only scattered small parcels can be found in this general vicinity.

G. In Boston (Brighton section) on Soldiers Field Road at the corner of Western Avenue along the Charles River. All utilities. Excellent identity. Rail available. Filled land. Sold in 1949 by Harvard University - 700,000 square feet at 32¢ per square foot.

Owner now asking $2.00 per square foot for Soldiers Field Road frontage by 200-foot depth and $1.00 per square foot for rear land with rail. Approximately 700-foot frontage x 1,000 ft. deep, this parcel as-is for resale or development would probably be appraised today at 75¢ - $1.00 per square foot. One-story buildings near here on similar land required 15-foot piles.

In rear of this parcel a separate tract of industrial land of same soil condition with rail sold in 1949 to Sears Roebuck at 30¢ per square foot for 750,000 square feet. Sears erected a 200,000 square foot warehouse on this site, one-story, no basement.

This general location has proven popular on both sides of the Charles River (Boston and Cambridge). Coca-Cola is nearby in Boston, and across the stream lie B & P Chemical, Stop & Shop, Robert Hall, etc., all built in recent years.

H. In Boston (Brighton district) on Soldiers Field Road between Harvard Stadium and Western Avenue traffic circle. All utilities. Fair identity. No rail. Fair bottom. This section developed during and after World War II at 50¢ - 60¢ per square foot. Only three parcels land remaining, two of 50,000 and one of 75,000 square feet respectively. Occupancy includes following: - WBZ-TV, Apparatus Service Co., General Electric (X-ray), International Equipment Corp., Hudson Motors (Parts), Harrison Hosiery, Pepsi-Cola, and others.

I. In Boston (Brighton district) between North Beacon Street and B & A Railroad. Just under 100,000 square feet next to new Hathaway Baking Co. plant offered with rail at 80¢ per square foot. All utilities, fair identity, good bottom, not much frontage.

J. In West Cambridge off Concord Avenue near junction of Alewife Brook Parkway (Route 2). All utilities. Good identity. Rail facilities. Fair bottom. Fair quantity of land remaining after successful development of tract over last six years. Land has been selling for 45¢ - 60¢ per square foot. B & M Railroad believed now offering and reported selling some adjacent rear land along tracks for as little as 25¢ per square foot, with over 1,000,000 square feet in this ownership still to be sold.

Fairly top-name occupants have been attracted to this development site in recent past, such as: - Ryerson Steel, Robert Gair Co. (Corrugated Boxes), M. E. Baker (Metals), Reserve Supply Corp. (Lumber), Alexander Smith Co. (Carpets), West Disinfecting Co., Barrett Roofing, etc.

Directly across railroad tracks from this site is a well developed industrial district with many large steel concerns including Bethlehem Steel, West End Iron, Ward Steel, Avery & Saul, Brown-Wales, etc.

K. In Belmont on Belmont Street at the Cambridge line. All utilities. Fair identity. Rail facilities. Westinghouse Electric recently paid 23¢ per square foot for about 100,000 square feet here. 120,000 square feet remaining zoned industrial and held at 30¢ with rail. National Biscuit Co. failed to get change of zone for large plant across tracks within last year.

L. In Medford at S.E. corner of rotary describing the junction of the Revere Beach Parkway, Middlesex Fellsway and Mystic Valley Parkway. Utilities adjacent. Very good identity. Rail available. Poor subsoil, being a salt water, tidewater marsh.

Owned by Malden Gas & Electric Co. and recently appraised for the owner at 20¢ - 25¢ per square foot for entire parcel of 1,700,000 square feet (about 40 acres). The asking price is 25¢ per square foot subject to condition of non-retail reuse (i.e., non-conflicting with Malden and Medford shopping centers). This land might bring up to $1.00 per square foot for strip frontage only but entire parcel not believed worth over 20¢ considering size, subsoil and drainage, fill and utilities, etc.

Analysis of the above land values indicates that industrial land near mass transit lines and close to the center of the city (5-mile radius) is available and can be acquired for 30¢ to $1.00 per square foot, with strip

semi-retail frontage in choice locations such as described under code letter "C", perhaps optimistically held up to $2.00 per square foot. Variations in price reflecting differences in subsoil, cost of processing, location, tax prospects, etc. probably equate to a top price of $1.00 per square foot for finished, ready to develop, industrial land in the downtown section for manufacturing or warehouse - distributing purposes. Where semi-retail, showroom and sales advantage can be demonstrated along the frontage of such parcels, land values up to $1.50 per square foot might be realized.

In our judgment Sub-area C combines high identity, semi-retail location advantages with excellent light-manufacturing or warehousing location advantages to an extent not matched by any other site now available on mass transit lines within the downtown area. As such we believe this site to be readily marketable ahead of substitute locations at a reuse value of about $1.50 per square foot over all.

c. Parking Lot Activity - Reuse Value Estimate Sub-area D

The value of land used for parking purposes depends, like land used for any other purpose, upon the dollar revenue it can bring in to its owner. In downtown Boston properties purchased for commercial parking reuse in recent years have brought as much as $20.00 per square foot for small key parcels. Purchase prices of $8.00 to $10.00 per square foot have not been unusual. These have of course been exceptional locations, and prices paid have reflected anticipation of the maximum parking revenues attainable in the Boston area.

Top all-day parking rates in Boston reach $1.00 per stall, and the best lots charge 35¢ for the first 2 hours, 15¢ for each hour thereafter up to $1.00 all day - 8 A.M. to 6 P.M. Evening rates in 24-hour locations average 50¢ from 6 P.M. to midnight, 35¢ from midnight to 8 A.M., and 75¢ all night.

The gross income of a parking location depends upon its transient business during the day, i.e., its rate of turnover. High-transient locations command top rates and generate the greatest dollar revenue per car stall. When excellent evening and overnight revenue can be added to a good daytime "take" then the highest land value for this use is reached.

It is the judgment of at least two successful Boston parking lot operators that parking facilities in the immediate vicinity of the Mass. General Hospital are too far removed

east-central frontage to [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] [illegible], perhaps substantially [illegible] [illegible] [illegible] $1.00 per square foot. [illegible] [illegible] [illegible] [illegible] differences in [illegible], [illegible] of [illegible], [illegible], the [illegible], etc., probably [illegible] to a low value of $1.00 per square foot for [illegible], [illegible] [illegible] [illegible] land in the [illegible] [illegible] for [illegible] [illegible] [illegible] and distributing purposes. [illegible] [illegible], [illegible] and [illegible] [illegible] [illegible] be [illegible] along the frontage of such parcels, land values up to $2.50 per square foot might be realized.

In the [illegible] [illegible] C [illegible] [illegible] [illegible], [illegible] [illegible] [illegible] with [illegible] light-manufacturing [illegible] [illegible] advantages to [illegible] and [illegible] by [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] the [illegible] area. It [illegible] be [illegible] that [illegible] [illegible] readily [illegible] [illegible] of [illegible] [illegible] at a [illegible] value of about $1.50 per square foot over all.

a. [illegible] [illegible] [illegible] – [illegible] [illegible] [illegible] [illegible]

The value of land used for parking purposes depends, like land used for any other purpose, upon the dollar return it can bring to the owner. [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] as high as [illegible] per square foot [illegible] [illegible] small lot [illegible]. [illegible] values of [illegible] to [illegible] per square foot have not been unusual. [illegible].

The all-day parking rates [illegible] [illegible] [illegible] [illegible] per stall, and the [illegible] and [illegible] [illegible].

The [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] depends upon the [illegible] [illegible] [illegible] [illegible], [illegible].

It is the [illegible] of [illegible] [illegible] [illegible] [illegible] [illegible] parking [illegible] [illegible] parking [illegible] [illegible] [illegible] [illegible] [illegible] of the [illegible], [illegible] [illegible] [illegible] [illegible] [illegible]

from the city's business, retail, amusement and service core to have any "transient" value in the parking sense of the word. This is because it is felt that only people connected with or visiting the Hospital would have any inducement to park in this vicinity under normal circumstances.

While it is admitted that Hospital-generated parking demand can be imposing at certain periods in the average week, and constitutes a franchise of its own in this neighborhood, this parking location is not a potentially high turnover, high rate, high 24-hour-income spot in the mind of the average parking lot operator.

For example, with an admitted shortage at the present time of curb and off-street parking spaces for peak Hospital needs in this vicinity, scattered small parking lots, unattended, collect only 35¢ all day for parking privileges in the neighborhood now.

Reliable estimates of basic Hospital parking shortages and needs must await a careful survey covering both projected peak and average demand plus willingness to pay. Such a study can only be made effectively under Hospital guidance, even though conducted by an outside agency.

Until the results of such a survey are available it is difficult indeed to place a value on land tentatively earmarked for parking reuse in Sub-area D. However, assuming no competition from Hospital-owned free parking lots (except perhaps for key operating personnel) such land, if its parking facilities are conservative in relation to peak needs, might bring $1.00 per square foot in resale after redevelopment.

d. School, Recreation, Miscellaneous Reuse

At this time, no valid estimate can be made of the probable reuse value of land cleared for school and recreational, satellite retail-commercial, or public housing, private enterprise miscellaneous reuse in the context of previous discussion in this report. Until the exact size and location of such reuse parcels are determined, after further study, and related to their surroundings in a precise redevelopment scheme, any attempt to guess at negotiated or probable settlement prices for such land reuses would be premature and unreliable.

No more can be said except that land cleared and reused for school, recreational or public housing purposes must

bring back at least as much in return as private buyers would have paid for it at the same point of time. Commercial reuse valuation in turn will depend on rents obtainable and the exclusivity of the retail franchise created through residential redevelopment and environment.

Copy
Edward Bernard Murphy

February 13, 1953

Mr. Kane Simonian
Chief of Urban Redevelopment
Boston Housing Authority
230 Congress Street
Boston, Massachusetts

Dear Mr. Simonian:

In October, 1952, I submitted to your Authority a Preliminary Appraisal on Marketability and Re-use Values in the West End area, Boston.

At that time redevelopment project plans were not sufficiently definite to allow for preliminary estimation of re-use value of areas to be reserved for:

1. Public housing reuse,
2. School and recreational re-use,
3. Retail reuse.

Redevelopment project plans are now such that it is clear as to where these differing re-uses are to be placed inside the larger project area in relation to residential and industrial re-uses. This letter, therefore, is to supplement the previously mentioned report of October, 1952, and place preliminary re-use values on the land in question.

1. <u>Public Housing Re-use</u>

Re-use value for the land tentatively reserved for public housing according to the redevelopment plan is estimated at from 50¢ to 60¢ per square foot on the following general bases:

a. Assuming complete accomplishment of the balance of the redevelopment plan, if the residential market easily absorbs all new private residential units planned for, land at present reserved for public housing re-use may be taken up by additional private residential

investment to catch any spill-over demand. If this should happen, it is my opinion that the location is only about one-half as good land-wise and 25% less attractive rent-wise than the land originally reserved for private residential investment. This would indicate a value for the public housing site of around 50¢ to 60¢ per square foot.

b. During the last four years the Boston Housing Authority has acquired three open-land areas, two for State-aided Veterans' housing under Chapter 200 of the Massachusetts laws, and one for low-rent public housing under the Housing Act of 1949.

b-1. One of these sites, on Franklin Hill Avenue in Dorchester, was acquired for 26¢ per square foot. This was bad land, rocky and ledgy, and site development costs were consequently relatively high, which accounted for the low dollar acquisition figure.

This land is located in an $80-$100 per month rental neighborhood, near MTA facilities, and is a desirable location. Had the site been easy to process, it is my opinion that private enterprise would have gradually taken up this land at about 75¢ per square foot. It is a superior location to the public housing site in the West End project.

b-2. Commonwealth Avenue and Washington Street in Brighton (Monastery Project): A large tract of 1? acres in an excellent location, $100 per month rental neighborhood, on a high hill with light, view and air, and MTA service. This big site was acquired for about 60¢ per square foot. The land was relatively level, with good sub-soil and easy to process, but difficult for private developers to acquire because it could not be acquired piecemeal. This location is superior, in my opinion, to the public housing site in the West End project.

b-3. <u>Faneuil in Brighton</u>: This site was acquired for about 40¢ per square foot. It is on low land near an industrial district, in a $50-$60 per month rental neighborhood, and can be described only as a "fair" location in terms of transportation and amenities. The land, however, was easy to process, and the price paid was a fair one, in view of the fact that private developers could not build economically on this land at this time for comparable rents. In my judgment this location is inferior to the public housing site in the West End project area.

2. <u>School and Playground Re-use</u>

The Boston School Department has not acquired land for school or recreational purposes for many years. Consequently, it is impossible to arrive, from this direction, at an estimated value for land reserved for these purposes in the West End project area.

As a rationalization, it is clear that new school and recreational facilities must be provided for and used as a buffer in the redevelopment plan in order to induce new private investment in residential apartment structures. School and recreational re-use is therefore a necessary subsidiary re-use, and, in my opinion, because of the contribution it makes to the effectuation of the over-all plan, should be discounted below the re-use values placed upon land reserved for new private residential investment. I believe that this discount should be about one-third, which would suggest a re-use value for school and playground re-use of about 75¢ per square foot.

It is noted that this re-use value estimate is higher than that previously given for public housing re-use. The sites reserved for school and playgrounds are superior locations to the land area set aside for public housing.

3. <u>Retail Re-use</u>

Since the ultimate reservation of land area for retail stores will be designed to provide retail facilities for virtually the exclusive use of the new residential neighborhood to be created, it is assumed that only non-competing tenants not requiring substantial parking will ultimately occupy the new store properties. Land so reserved for a retail franchise as limited as this should bring at least $1.00 per square foot, and probably more.

Sincerely yours,

(s) Edward B. Murphy

Edward B. Murphy

EBM B

EDWARD BERNARD MURPHY
Consulting Economist in Real Estate and Housing

BIGELOW 4-0914

157 Langley Road
Newton Centre 59, Massachusetts

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